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September 6, 2013

**Via Federal Express (303-312-7165)**

Natalie Firestine, Esq.  
U.S. Environmental Protection Agency  
Mobile Source Enforcement Branch  
OECA/AED/Western Field Office (8MSU)  
1595 Wynkoop Street  
Denver, CO 80202-1129

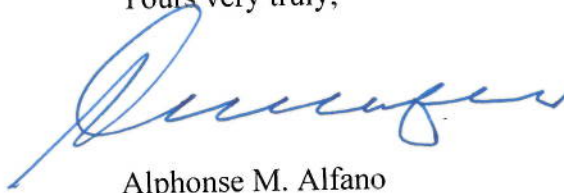
**Re: Alexander Oil Company-Notice of Violation of July 9, 2013**

Dear Ms. Firestine:

Enclosed herewith is the Response of Alexander Oil Company to EPA's July 9, 2013 Request For Information, with exhibits. Please note that the documents identified as Exhibit "B" are included in the enclosed thumb drive for your convenience.

I will be calling you shortly to discuss the Response and our upcoming conference on September 18, 2013. In the meantime, if you have any questions concerning the Response or the enclosed documents, please do not hesitate to contact me.

Yours very truly,



Alphonse M. Alfano

AMA:bdw

Enclosure

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September 5, 2013

**Via Federal Express (303-312-7165)**

Natalie Firestine, Attorney-Advisor  
U.S. Environmental Protection Agency  
Mobile Source Enforcement Branch  
OECA/AED/Western Field Office (8MSU)  
1595 Wynkoop Street  
Denver, CO 80202-1129

**Re: Response of Alexander Oil Company To EPA's Request for Information**

Dear Ms. Firestine:

On July 9, 2013, the United States Environmental Protection Agency ("EPA") issued a Request for Information under Section 114(a) of the Clean Air Act, 42 U.S.C. § 7414(a), to Alexander Oil Company of Brenham, Texas ("Alexander"). The following constitutes Alexander's response to the specific itemized requests, utilizing the same paragraph numbering:

1. (a) The gasoline/fuel additive mixture purchased by Alexander from Gulftech was produced at terminal facilities located at 13605 Industrial Road, Houston, TX 77015 and 10020 Bayport Blvd, Pasadena, TX 77507, which Gulftech leased or was otherwise authorized to use. It is our understanding that Gulftech rented storage space for its gasoline additive product at these terminal facilities and utilized the services of the terminal operator, whose employees acted as agents or contractors for Gulftech in blending the additive with gasoline. Gulftech paid the terminal operator for the storage space and its assistance in blending the additive on a fee basis. At some point during the relevant period, Gulftech ceased operating at the Pasadena, Texas location and began operating at the Houston, Texas facility. The only other information possessed by Alexander that is responsive to this request is set forth in our response to 1(b) below.

(b) At no time did Alexander produce, mix, or otherwise blend any fuel, blend stock, or fuel additive mixture. Alexander purchased a gasoline mixed with a fuel additive from Gulftech Marketing, LP and its predecessor, Edigen, Inc. (collectively, "Gulftech") at one or the

other of the facilities identified above (the "Gulftech Facility"). The gasoline/ fuel additive mixture was blended by Gulftech at the Gulftech Facility, and the finished product was sold to Alexander.

The blending of the gasoline/fuel additive mixture occurred on property leased by Gulftech. At the time the blending occurred, Gulftech owned the gasoline to be blended; it owned the fuel additive to be blended; it determined the quantity of fuel additive to be mixed with the gasoline; it owned or was otherwise authorized by the terminal operator to use all of the equipment used to mix or blend the additive with the gasoline; it controlled the process by which the blending occurred, and, as the blender, it paid the additional state and federal excise taxes on the blended product.

Gulftech provided the driver of a transport owned and operated by Alexander Trucking Company, Inc. ("Alexander Trucking") with a bill of lading for the blended product, which bill of lading was provided to the customer to whose location the blended product was delivered by Alexander Trucking. Gulftech then invoiced Alexander for the gasoline/fuel additive mixture. Alexander never purchased the fuel additive or any other blend stock from Gulftech.

The Alexander Trucking Company driver had no authority to use any of the Gulftech equipment at the Gulftech Facility (other than to insert a hose connecting the Gulftech equipment to the transport). Every aspect of the blending process was directed and controlled by the Gulftech employees and/or Gulftech contractors at the Gulftech Facility. The IRS approved Gulftech's Form 637, Application for Registration for Certain Excise Tax Transactions, which registration signifies a blender of gasoline, diesel fuel, or kerosene, producing a taxable fuel outside the bulk transfer/terminal system, including blenders of alcohol fuel mixtures, alternative fuel mixtures, biodiesel mixtures, and renewal diesel mixtures. **See Exhibit "A."**

The only information in the possession of Alexander concerning any identifying information, date of production, or volume of the blended product purchased by Alexander from Gulftech is contained in the bills of lading and invoices referred to above that were provided to Alexander by Gulftech.

(c) Consistent with Alexander's answer to Request No. 1(b), the only transfer documents in the possession or control of Alexander are (1) the bills of lading furnished by Gulftech to Alexander for the fully blended gasoline/additive mixture; and (ii) Gulftech's invoices to Alexander for the fully blended gasoline/additive mixture. These documents are voluminous. Alexander has produced one month's worth of the documents to illustrate the process described above and the information contained in the documents. **See Exhibit "B."** All of the other bills of lading and invoices for the other months are identical with respect to the information contained therein. If EPA requires all of the other bills of lading and invoices after our conference on September 18, 2013, Alexander will provide them. To the extent required by this request, Alexander also possesses bills of lading and invoices for gasoline sold by Alexander

to Gulftech. Alexander will produce these documents if EPA believes that they fall within the ambit of this request.

(d) Because Alexander did not engage in any mixing, blending, or other activity requiring a testing of blended products, Alexander did not engage in any lab or other sampling or testing. To the best of Alexander's knowledge, such sampling and testing was required to be performed by the blender (Gulftech), and Alexander is without knowledge or information sufficient to form a belief as to whether Gulftech performed such sampling and testing.

(e) Each Alexander customer is given a copy of the bill of lading for the gasoline/fuel additive product sold to Alexander that was furnished by Gulftech. The only representation made to the customer is the information provided in the bills of lading. This information can be derived from the bills of lading Alexander will produce pursuant to these requests.

(f) Alexander possesses no documents responsive to this request.

(g) Enclosed is a list of the customers to whom Alexander sold the gasoline/fuel additive mixture it purchased from Gulftech. **See Exhibit "C."**

(h) Alexander has no samples of the gasoline/fuel additive mixture sold to Alexander by Gulftech.

2. Alexander did not "produce" any products. As stated above, Alexander sold a gasoline/fuel additive mixture that it purchased from Gulftech to Alexander's customers. Alexander received no written retail customer or consumer complaints with respect to such products. To the best of Alexander's recollection, there was a single verbal customer complaint with respect to the product identified above, which complaint was referred by Alexander to Gulftech. It is Alexander's standard operating procedure to refer customer complaints concerning fuels sold to the customer to the supplier of the fuel.

3. The statement made by EPA in this request number 3 is inaccurate. Alexander did not mix gasoline with blend stock or fuel additive at any place or at any time. While a tank truck driver may have inserted a hose in the transport at the Gulftech facility, the blending of the product was performed by Gulftech. As stated above, the gasoline and fuel additives to be blended were owned by Gulftech; the equipment used to perform the blending was owned by or made available to Gulftech; the blending occurred at the Gulftech facility, and in amounts or proportions determined by Gulftech. Such amounts and proportions were determined by use of Gulftech's proprietary software. Alexander paid Gulftech for the fully-blended product and not for any component thereof. All of the blending records were kept by Gulftech, and to the extent Alexander has any records responsive to this request, they are the bills of lading and invoices for

the blended product furnished to Alexander by Gulftech. As stated above, these records will be provided to EPA.

4. Because Alexander did not produce any fuel or fuel additive, it has no documents responsive to this request.

5. The fuels regulations referred to in this request do not apply to Alexander. Alexander is not a manufacturer or producer of fuels and Alexander is not an obligated party for purposes of the cited regulations.

6. Alexander had no written agreement with Gulftech. The only contracts that Alexander possesses with respect to the supply or distribution of any fuel are distributor agreements to purchase branded motor fuels from its branded refiner suppliers (such as Shell). We do not believe that these contracts are within the ambit of this request. However, to the extent EPA determines otherwise, the referenced contracts will be produced.

7. Alexander did not "produce" fuel and, accordingly, it possesses no documents responsive to this request.

8. The only products identified in Alexander's responses to these requests are blended products purchased by Alexander from Gulftech. Alexander neither submitted to nor received documents from the IRS specifically with respect to these fuels. Alexander's corporate income tax returns disclose revenues, some of which were derived from the sale by Alexander of the blended gasoline fuel additive mixture that was purchased from Gulftech. Alexander will provide its corporate returns for the years 2009, 2010 and 2011. See **Exhibit "D."** Alexander has not yet filed its returns for 2012 or 2013.

9. Alexander is a wholesale distributor of branded and unbranded motor fuels sold to retail service station dealers for resale to motorists. Alexander also sells motor fuels and other petroleum products to industrial and commercial end users. The blended products purchased by Alexander from Gulftech were sold to service station dealers in the normal course of business for resale to each dealer's retail customers. A list of the dealers to whom Alexander sold the blended product purchased from Gulftech is attached hereto as **Exhibit "C."**

10. Alexander does not have written contracts with the service station dealers that purchased the fuel mixture sold by Gulftech. These service station dealers own or control their own service stations, and they purchase motor fuels from a number of different suppliers. They are not bound by contract to purchase exclusively from Alexander. They purchased the above-described product from Alexander on a "spot" basis at intervals determined exclusively by the customer. The only correspondence with these customers consists of the invoices provided to them for the products delivered.

11. Alexander is a corporation (a subchapter C corporation) organized and existing under the laws of the State of Texas. Alexander has 14 employees. Alexander began purchasing the gasoline/fuel additive mixture referred to above from Edigen, Inc., the

predecessor of Gulftech. In approximately October of 2010, Gulftech became the successor in interest to Edigen, Inc. by acquisition, merger or consolidation. Alexander is unaware of the circumstances under which Gulftech took over Edigen. In any event, Alexander's last purchase from Edigen was on September 30, 2010. At or about that time, Alexander began purchasing the same product from Gulftech (although there may have been some overlap). All of the references in these responses to "Gulftech" refer to either Gulftech or Edigen, depending on which of the two sold the gasoline/fuel additive mixture to Alexander. There were no differences in the manner or method by which Edigen blended the product or provided bills of lading or invoices to Alexander. For purposes of these responses, Edigen and Gulftech are one and the same, and are referred to collectively as "Gulftech."

The business relationship with Edigen and Gulftech is as described above. Gulftech or Edigen supplied a gasoline/fuel additive blended product to Alexander for resale to the customers described above. Alexander paid Gulftech or Edigen for the blended product. Alexander also sold RFG gasoline it purchased from Shell or other suppliers to Gulftech or Edigen. Gulftech or Edigen paid Alexander for the gasoline in the normal course of business. Gulftech supplied a gasoline/fuel additive blended product for resale by Alexander to the customers described above. Alexander paid Gulftech for the blended product. Alexander had no business relationship with Tauber Oil Company.

12. Alexander derived revenues (not profits) from its sales of the blended product purchased from Gulftech or Edigen in the amount of \$90,827,428.79 from 2009 until Gulftech ceased operating in 2012.

13. Because Alexander did not engage in the mixing, blending, or other production of the products referred to above, it did not engage in any health effects testing in accordance with the regulatory provisions cited in this request.

I certify under penalty of law that I have examined and am familiar with the information in the enclosed documents, including all attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are, to the best of my knowledge and belief, true and complete. I am aware that there are significant penalties for knowingly submitting false statements and information, including the possibility of fines or imprisonment pursuant to Section 113(c)(2) of the Clean Air Act, and 18 U.S.C. §§ 1001 and 1341.

  
Jim G. Alexander Jr